

## SENATE BILL NO. 271

INTRODUCED BY ELLIOTT, RYAN

A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING FOR AN ADJUSTMENT OF THE GUARANTEED TAX BASE AID PAYMENT TO A SCHOOL DISTRICT AFFECTED BY A TAX PROTEST IN THE EVENT THAT THE FINAL TAXABLE VALUATION OF THE SCHOOL DISTRICT IS REDUCED AS A RESULT OF THE RESOLUTION OF THE PROTEST; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

~~NEW SECTION. Section 1. State guaranteed tax base reserve account -- purpose. There is established a state guaranteed tax base reserve account in the state special revenue fund. The purpose of the account is to make payments of guaranteed tax base aid to eligible school districts, as described in [section 2], for prior school fiscal years if the taxable valuation of a school district is reduced as a result of the resolution of a tax protest.~~

NEW SECTION. Section 1. Eligibility for state STATE guaranteed tax base aid adjustments for protested valuation. (1) For any school district that has taxable valuation that was protested for tax year 2002 and succeeding years, THROUGH 2004 THAT EXCEEDS 10% OF THE DISTRICT'S TAXABLE VALUATION IN EACH RESPECTIVE YEAR, UPON RESOLUTION OF THE PROTEST, the superintendent of public instruction shall compare the amount that the school district would have been eligible to receive ~~under subsection (3),~~ USING THE REVISED VALUATION, to the amount of guaranteed tax base aid that the district general fund actually ~~receives~~ RECEIVED. If the calculation in ~~subsection (3)~~ exceeds the amount of guaranteed tax base aid paid to the school district's general fund, the ~~difference must be deposited in the state guaranteed tax base reserve account established in [section 1] and held for distribution to the school district pending final determination of the tax protest. The superintendent of public instruction shall transfer the calculated amount from the state general fund appropriation for K-12 BASE aid to the state guaranteed tax base reserve account~~ SUPERINTENDENT OF PUBLIC INSTRUCTION SHALL REQUEST AN APPROPRIATION FOR THE DIFFERENCE.

~~(2) For the school fiscal year beginning July 1, 2005, the state superintendent shall calculate the district~~

1 guaranteed tax base ratio, as defined in 20-9-366, and the dollar amount of guaranteed tax base aid for each  
2 mill levied under 20-9-368 that would result if the taxable valuation of the protested portion of property, as  
3 determined by the department of revenue, was excluded from the district's taxable valuation.

4 ~~—— (3) Upon receipt of the final budget information for the school district, the superintendent of public~~  
5 ~~instruction shall compute the amount of guaranteed tax base aid that the school district's general fund would~~  
6 ~~have been eligible to receive if the payment had been based on:~~

7 ~~—— (a) the guaranteed tax base ratio as calculated in subsection (2);~~

8 ~~—— (b) the dollar amount of guaranteed tax base aid for each mill levied as calculated in subsection (2); and~~

9 ~~—— (c) the district taxable valuation, excluding the protested portion of property.~~

10 ~~—— (4) Upon resolution of the tax protest for tax year 2002 and succeeding years, the department of~~  
11 ~~revenue shall provide the superintendent of public instruction with the final taxable valuation of property for each~~  
12 ~~school district for each affected tax year. The superintendent of public instruction shall recalculate the amount~~  
13 ~~of guaranteed tax base aid for which a school district would have been eligible in each school fiscal year, using~~  
14 ~~the final taxable valuation of the school district as determined by the tax settlement. The superintendent of public~~  
15 ~~instruction shall adjust the guaranteed tax base aid payment to the school district's general fund for each eligible~~  
16 ~~school district and pay additional state aid due to the school district from the state guaranteed tax base reserve~~  
17 ~~account established in [section 1].~~

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19 ~~—— **NEW SECTION. Section 3. Codification instruction.** [Sections 1 and 2] are intended to be codified~~  
20 ~~as an integral part of Title 20, chapter 9, part 3, and the provisions of Title 20, chapter 9, part 3, apply to [sections~~  
21 ~~1 and 2].~~

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23 **NEW SECTION. Section 2. Effective date -- retroactive applicability.** [This act] is effective on  
24 passage and approval and applies retroactively, within the meaning of 1-2-109, to school fiscal years beginning  
25 after June 30, 2002.

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